Quarterly Report IV/2011

Business Development

In the fourth quarter of 2011, sales dynamics were slightly weaker than in the previous two quarters, which was in line with our expectations. The PCC Group generated consolidated sales of roughly €148 million in the final three months of last year. Cumulative consolidated sales as per December 31, 2011 thus reached €617 million, up approximately €37 million compared with the previous year. The forecast for 2011 (€621 million) was missed by a narrow margin of €4 million. The latter was caused by deliveries delayed from December 2011 to January 2012, but also by the weaker economy at least in some segments.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) improved by approximately €13 million in the fourth quarter to +€50 million as per December 31, 2011, coming in €2 million above our expectations. The corresponding value of +€14 million in the previous year was exceeded by as much as €36 million. On an earnings-before-tax (EBT) basis, the fourth quarter of 2011 ended better than expected as well. Total earnings before tax as per December 31, 2011 should come in at +€12 million to +€15 million, which is a considerable improvement compared to the previous year, when we incurred a pre-tax loss of –€15 million.

The results detailed above have been calculated taking into account the audit conducted in 2011 in the German group companies by the large companies division of the tax authorities for the period between 2006 and 2010. They also contain provisions for an anticipated loss on receivables of PCC Synteza S.A. (Kędzierzyn-Koźle (Poland) from a Portuguese client, and an expected impairment loss of a non-consolidated subsidiary of PCC SE. Each of these three factors reduced the 2011 result by a low one-digit million euro sum.

The above-mentioned results are currently being reviewed by our auditors. The ultimate income statement for 2011 will be published on our website (www.pcc-finanzinformationen.eu) in the second quarter of 2012 immediately after its approval.

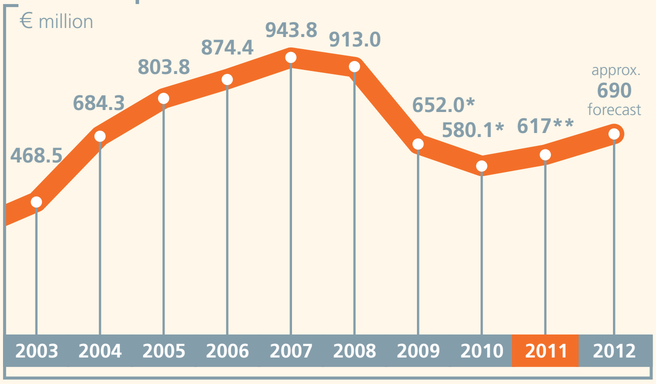
In 2011, all three divisions of the PCC Group generated positive results, while the Chemicals division of PCC continued to be the main source of revenues and earnings. In the fourth quarter of 2011, external sales for this division came in at €129 million, taking total sales as per December 31, 2011 to €548 million. The main contributor to this was PCC Rokita SA, Brzeg Dolny (Poland), based on the successful business of its Polyols Unit. Among the main reasons we can identify for this very favourable development is the replacement of standard products by speciality ones in that business unit's product range. Apart from that, the Surfactants and Chlorine Units also performed strongly.

PCC Synteza S.A. suffered from a temporary downturn of the demand for dodecylphenol in the fourth quarter, which caused the company to end 2011 slightly below our forecast. The remaining result is still substantially in the black, but is likely to be outweighed by the value adjustments on "non-performing" receivables mentioned above. The business of PCC Chemax, Inc., Piedmont (S.C., USA) continued to be impaired by the slackening US economy in the fourth quarter. Nevertheless, this subsidiary also ended 2011 with a substantial full-year profit, which was just slightly below our forecast. Positive contributions to earnings were also added by the two trading companies operating within the Chemicals division - Petro Carbo Chem GmbH, Duisburg (Germany) and PCC Morava-Chem s.r.o., Český Těšín (Czech Republic), although the former company narrowly missed its EBT forecast due to the delay of deliveries from December 2011 to the beginning of January 2012. The other subsidiaries within the Chemicals division, such as the system house PCC Prodex Sp. z o.o. and the PCC Consumer Products S.A. subgroup (both based in Warsaw) continued to be of minor relevance for consolidated earnings in the fourth quarter.

In the Energy division, external sales in the fourth quarter of 2011 reached €3 million, taking annual sales for 2011 to €14 million. ZE-Blachownia Sp. z o.o., Kędzierzyn-Koźle, continued to be the main source of revenues and earnings of that division in the fourth quarter. The other subsidiaries of this division - PCC Energy Trading GmbH, Duisburg, the operator of small hydropower plants GRID BH, Sarajevo (Bosnia and Herzegovina), and PCC DEG Renewables GmbH (still in its start-up phase), also added a positive contribution to earnings before tax, but were of minor importance for consolidated earnings.

Sales of the Logistics division came in at €12 million, unchanged again from the previous two quarters. Division sales for the period ending December 31, 2011 thus reached €44 million. All subsidiaries within this division registered a favourable business

PCC Group - sales



* The sales decrease was mainly caused by the sale of "PCC Logistics" to Deutsche Bahn AG in July 2009. The sales of this group of companies were consolidated until the end of the first half of 2009.
** unaudited results. Audited results forthcoming.

www.pcc.eu

PCC. synergies at work

PCC SE

development in the fourth quarter of 2011. The dominant subsidiary within this division, PCC Intermodal S.A., Gdynia (Poland), substantially increased its profitability generating its first annual profit ever on the back of rising international transport volumes and the completion of its new transhipment terminal in Kutno (Poland). The subsidiary did not fully reach the earnings forecast; however, this was mainly caused by additional costs that were hard to calculate in advance, relating to the relocation of the transhipment business to the Kutno terminal, opened on September 30, 3011, and to the rented terminal in Gliwice (Poland). Apart from that, above-plan repair costs which were also largely connected to the relocation activities, as well as exchange rate effects also impacted negatively on earnings. PCC Autochem Sp. z o.o., the tank trucking company from Brzeg Dolny (Poland), and ZAO PCC Rail, Moscow, also closed 2011 with a profit.

Among the other PCC group companies, only PCC Silicium S.A., Zagórze (Poland) added a substantial contribution to consolidated earnings. This subsidiary continues to benefit from the boom in Polish infrastructure construction (road construction and modernization of railway lines), causing it to substantially exceed our earnings forecast for 2011, which were assuming a profit anyway. PCT S.A. the IT service company from Brzeg Dolny, also closed 2011 with a profit on the forecasted level. The data center of 3 SF S.A., Katowice (Poland), which only went on stream in 2011, is still in its start-up phase and therefore incurred a loss in 2011, which was in line with our expectations. The latter goes also for PCC Capital GmbH, Duisburg. PCC SE, Duisburg, will be able to capitalize on the mainly substantially positive results achieved by its group companies in 2011, only in 2012 in the form of dividend payouts. Earnings in its non-consolidated income statement for 2011 will however be below our expectations due to the factors detailed at the beginning.

PCC plans production of silicon metal in Iceland

PCC SE plans to build a modern silicon metal production plant in Iceland. The plant is scheduled to come on stream in 2015. Currently, the financing for the project is being structured. Capital expenditure for the first construction stage including a capacity of 33,000 tonnes per year will be approximately €130 million. Given favourable market development, plans envisage doubling this capacity. The silicon metal produced in this new plant can be utilized for various purposes, e.g. as a component of aluminium alloys, and for the manufacture of silicone and siloxane in the chemical industry. The energy for this energy-intensive production process will be derived from renewable sources such as geothermal energy and hydropower.

The location we have chosen is Bakki near Husavik on Iceland's north coast. On an area of 200 hectares, an industrial park is to be developed here with the aim of creating more viable jobs, which would add to the traditional tourism and fishery industries. PCC's project envisages 120 to 150 direct jobs in the operation of the production plant. On October 21, 2011, a memorandum of understanding concerning the construction of the plant was signed with the local authorities of Husavik. In the next step, the approval procedures were started in the fourth quarter of 2011.

At the same time, we are currently conducting research to determine in which proportion quartzite mined by PCC Silicium S.A. from Zagórze can be used as a starting material for the planned silicon metal production in Iceland, with the aim of achieving additional synergies.

iPoltec technology exceeds the million mattress mark

PCC Rokita SA, Brzeg Dolny successfully introduced its iPoltec foam technology (Intelligent Polyurethane Technology) to the market. By the end of 2011, one million mattress cores had been manufactured using this innovative technology.

As reported earlier, PCC has been producing their special Rokopol iPol® polyol for the manufacture of superior quality cold-cure foams at its largest chemical production site in Brzeg Dolny since 2010. Since December 2011, PCC Rokita SA has been supplying new specialised polyols: the Rokopol vTec series for the manufacture of viscoelastic foams.

Key to the success of the special Rokopol iPol® and Rokopol vTec polyols is the combination of the polyols with technological know-how. A team of technical experts from PCC SE and PCC Rokita SA supports clients on site in arranging their production lines, recommending foam formulations and making sure this technology is applied correctly so that optimum results are always achieved in foam production.

5.00 % bonds of PCC SE newly issued - maturing in 23 months

On January 1, 2012, PCC SE issued a new 5.00 % bearer bond (ISIN DE000A1MA912) maturing on December 1, 2013. As usual, interest will be paid on a quarterly basis.

Apart from this new issue, the 7.25 % corporate bond maturing on December 1, 2015 (ISIN DE000A1K0U02) remains open for subscription. Both securities are listed on the Open Market of the Frankfurt Stock Exchange (FSE). The purchase price is 100 % of the face value plus accrued interest until further notice, if the securities are acquired via direct free of charge subscription from PCC SE.

www.pcc.eu

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